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In replying please address:

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100-111111-111111
January 8, 1960

Dear Sir:

In accordance with recent discussions with your technical representatives, we are herewith submitting a proposed program of additional research under Task Order No. HH that would be directed toward the design, preparation, and installation, in a Volkswagen panel truck, of an experimental infrared observation system.

On October 3, 1959, an effort under Task Order No. HH was undertaken to design, develop, install, and evaluate an experimental air-conditioning and ventilation system for a Volkswagen panel truck and to modify the truck for certain specialized conditions of use, which were detailed in our letter and proposal dated September 16, 1959. Our letter dated December 30, 1959, proposed a program of further research under Task Order No. HH that was aimed at investigating and providing equipment which would permit close observation of the area immediately surrounding the panel truck by the occupants of the vehicle and also furnish a better field of coverage by the special communications transmitter. Included in this proposed effort was an investigation of the technical feasibility and possible installation configuration of equipment to permit the occupants of the vehicle to observe surrounding areas at night by means of infrared light.

At the present time, it is not known whether the above-mentioned proposed investigation of an infrared observation system would result in the

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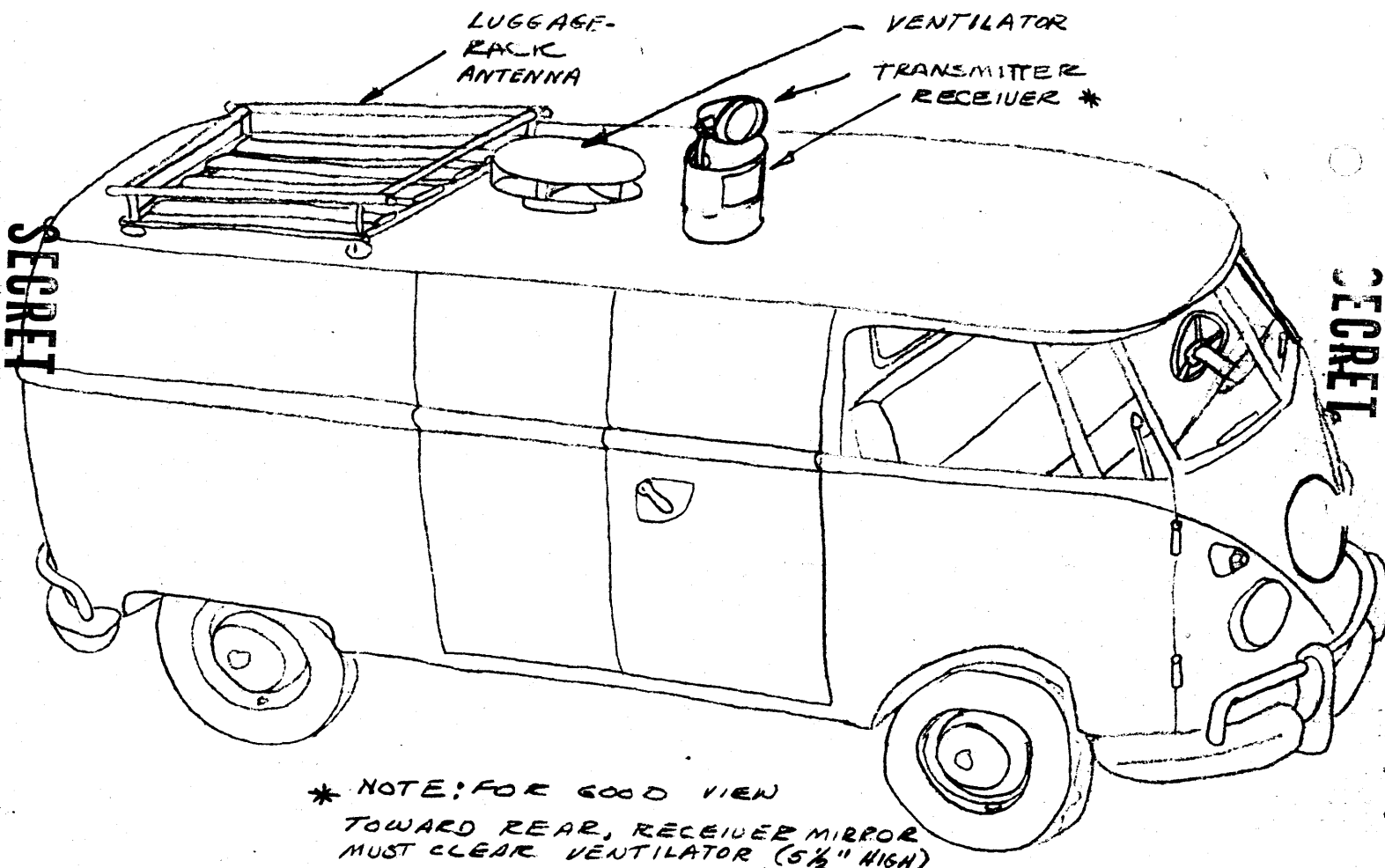
design of a system which would be considered satisfactory by your technical representatives and their associates. However, in order to minimize the time delay in providing a truck appropriately equipped, your technical representatives asked us to submit a proposed program of research directed toward the design, preparation, and installation, in the vehicle, of an appropriate infrared observation system. Thus, if, as expected, the results of the previously proposed feasibility study are favorable, then contractual arrangements for the proposed effort described herein could be set up expeditiously. Accordingly, a proposed program of additional research directed toward achieving the above-indicated objectives is outlined below.

It is mutually realized that the configuration of a satisfactory experimental infrared (IR) system can be sketched out only tentatively at this time. The sketches shown in Figures 1 and 2 suggest a probable general arrangement of such an experimental system. As can be seen, an opening would be cut in the roof of the vehicle; a plug would be kept in place in this opening during the period when the IR system was not in use. To use the IR system, the plug would be removed and the combined IR transmitter and receiver would be inserted in its place. It should be noted that, while the IR transmitter and receiver would be combined in one unit, the transmitter could be operated independently, and the mirrors in the receiver would have some type of independent control.

Thus, it is currently contemplated that, in the effort proposed previously in our letter dated December 30, 1959, an experimental system generally similar to that indicated by the two sketches would probably be evolved. If this type of experimental system appeared promising mutually, then the research program proposed herein would be undertaken, after suitable

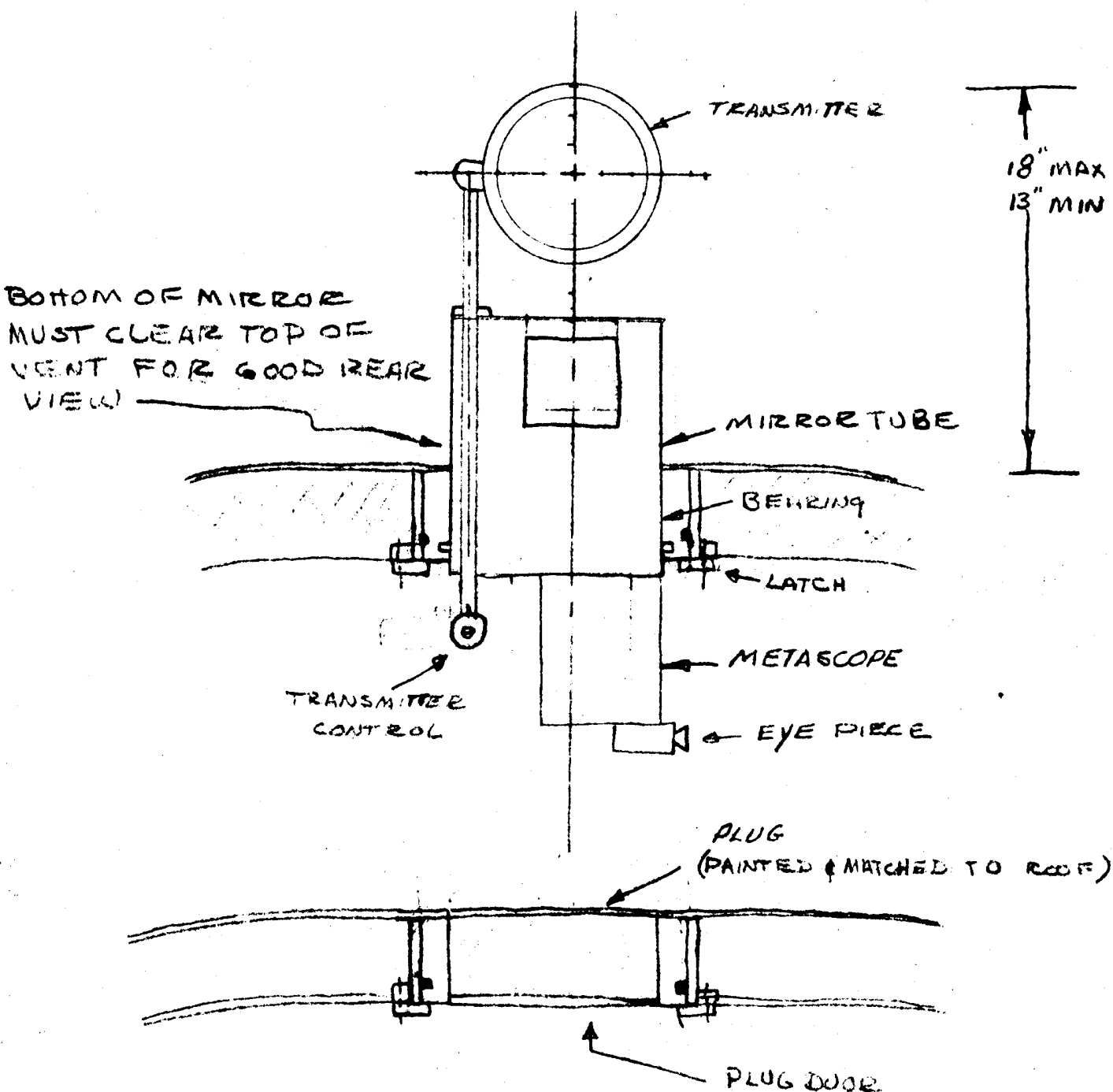
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FIGURE 1. VEHICLE WITH EXPERIMENTAL IR SYSTEM
READY FOR USE



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FIGURE 2. COMPONENTS OF
EXPERIMENTAL IR SYSTEM



PROPOSED IR VIEWING SYSTEM

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contractual arrangements were made. Efforts would be directed primarily toward the detailed design of the parts of the experimental system, the preparation and procurement of the necessary parts, the assembly of the various parts, the installation of the assembly in the vehicle, and the evaluation of the experimental system. At the conclusion of the proposed research period, the vehicle would be provided to your technical representatives.

It is emphasized that every effort would be made to expedite the performance of the research proposed herein.

Accordingly, it is proposed that the Task Order No. NN agreement be amended to provide for an additional one-month period of research. It is currently anticipated that an increase in the appropriation of \$5,300, including an increase in the fixed fee of \$300, would be needed to fund the additional proposed effort. A general breakdown of the estimated costs is attached.

Aside from the above, no other changes in the Task Order No. NN contract are proposed at this time. Of course, the proposed amendment would continue our period-basis research agreement, consistent with our current contractual arrangements.

If you should have any questions with regard to the above, please do not hesitate to call us. Any inquiries of a contractual nature may be directed to

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Very truly yours,

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EES:mlm

In Duplicate

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For Research on to the U. S. Government.
~~Additional~~ Additional research under Task Order No. NN.

Based upon a period-basis Contract for a research period of ~~22~~ through April 30, 1960.
 (Including time for submission of all reports. The proposed contract will not provide for earlier conclusion of the research.)

ESTIMATED COSTS

We expect that the cost of this research for the period indicated above may be distributed approximately as set forth hereon, subject to the understanding that this allocation is merely an estimate, and actual costs incurred may vary from the categories shown. We have determined that these estimates are reasonable and consistent with established policies in its research for the various Government agencies, which policies are briefly discussed below and will be followed in determination of our actual costs hereunder.

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Materials & Supplies, etc.

\$ 250

(Including any equipment which may be purchased as necessary in performance of the research. Charges of \$25 or less are excluded from this item.)

Use of Equipment and Technical Services, Travel, and Misc.

\$ 600

(Including applicable costs of technical research and service divisions, and use of technical equipment, except that any undistributed balances of these accounts will be included in overhead. Cost of travel includes reasonable actual subsistence expenses and the actual cost of transportation. An allowance of up to 8¢ per mile for all necessary travel by privately owned conveyance is included in lieu of the cost of such travel.)

Salaries & Wages

(Including our predetermined accrual for vacation, holiday, and sick-leave pay, pensions, and social security.)

Type of Employee	No. of Man-Months	Estimated Cost
Supervision	1/2	\$ 525
Research Engineers	1-1/2	1,125
Lab. Assistants	2	840
Steno., Clerical,		
Shop & Photo., etc.	1/4	120
Total Salaries & Wages		<u>120</u>

Overhead

\$2,610

59 per cent. of salaries and wages, as they are defined above. Provisional monthly reimbursement will be at the rate of 59 per cent of salaries and wages, as so defined, or at such other provisional rate as may from time to time be mutually agreed upon with the Government's audit representatives. This is a provisional rate for current reimbursement, which we have arrived at by negotiation with Government representatives, and it will be subject to retroactive revision to the "actual" rate agreed upon with them for each calendar year following a detailed audit for that year. The item of overhead includes general research, charges of \$25 or less for materials and supplies, and other categories of costs we customarily include in our overhead account. Cash discounts on all purchases will be credited to overhead, instead of to the amount of the purchase. Scrap of appreciable value will be credited directly to the project. All other scrap will be credited to the overhead account, in which the Government participates.)

Total Estimated Cost

~~\$1,540~~

Fixed Fee

\$5,000

~~\$ 300~~

*Please let us have your acceptance in our hands by February 29, 1960.
 Unless we extend the time, your acceptance after that date will be subject to agreement.

Contract Price

\$5,300

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